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**FISCAL IMPACT STATEMENT**

**LS 6875**

**BILL NUMBER:** SB 193

**NOTE PREPARED:** Mar 21, 2005

**BILL AMENDED:** Feb 3, 2005

**SUBJECT:** War Memorials Foundation.

**FIRST AUTHOR:** Sen. Paul

**FIRST SPONSOR:** Rep. Alderman

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill authorizes the War Memorials Commission to establish a nonprofit corporation to promote public support for war memorials, to preserve and promote the historical and educational activities of the Commission, and to operate for the benefit of the purposes of the Commission. The bill authorizes the Commission to transfer money and certain historical personal property to the corporation. It legalizes establishment of Indiana War Memorials Foundation, Inc., as the corporation the Commission is authorized to establish. It also legalizes any transfer of money and personal property from the Commission to the foundation before April 30, 2005. The bill authorizes the Commission to transfer the operation of the Indiana War Memorial gift shop and all property associated with the gift shop to the foundation.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** (Revised) *Summary:* Under the bill, the War Memorials Commission may transfer money and certain historical personal property under the Commission's control to a nonprofit corporation known as the Indiana War Memorials Foundation, Inc. The transfers may be made without complying with state law concerning the disposition of state personal property (IC 5-22-21 and IC 5-22-22). The impact of the bill on state expenditures would depend on the amount of funds or property transferred by the Commission. The effective date of this provision is upon passage.

*Appropriation:* The bill appropriates to the Commission the amount of money determined by the State Budget Agency and the Commission that represents the donations to the Commission, including earnings, that are in the state treasury as the result of a reversion before the Commission could make the transfer to the Corporation. The Commission reports that donations currently total \$605,410, and earnings are \$113,615.

The appropriation is to be allocated by the State Budget Agency among the Indiana War Memorial Fund, the state General Fund, and the Souvenir Shop Fund.

*Audit of Corporation:* The Corporation is subject to audit by the State Board of Accounts (SBA). The SBA should be able to implement the requirement associated with auditing the fund given its current staff and resources.

*Indiana War Memorial Gift Shop:* Under the bill, the Commission may transfer the operation of the Indiana War Memorial gift shop and all personal property associated with the gift shop to the Indiana War Memorials Foundation, Inc. The transfer and operation of the gift shop to the Foundation could present a savings to state expenditures if the Foundation assumed payment for staff and upkeep of the gift shop.

*Background Information on Indiana War Memorials Commission:* The Commission has 10 members appointed by the Governor, where every U.S. Congressional District in Indiana must be represented. Members must be war veterans. Appointments are for three years. Commission members are not compensated except for reimbursement for any reasonable expenses necessarily incurred in the performance of their duties.

The following table describes the major appropriations to the Commission for the FY 2004 and FY 2005 biennium.

Use	FY 2004 Appropriation	FY 2005 Appropriation
Commission Operations	\$852,081	\$852,081
Preventive Maintenance		\$1,421,494*
Repair and Rehabilitation		\$2,754,503*
<b>TOTAL GENERAL FUND</b>	<b>\$5,880,159*</b>	
Civil War Flags (Dedicated)	\$37,548	\$37,548
*Biennial appropriation		

For the FY 2004 and FY 2005 biennium, the Commission is authorized to have 18 full-time positions.

The Commission reverted \$13,153 to the General Fund in FY 2004.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana War Memorials Commission.

**Local Agencies Affected:**

**Information Sources:** State of Indiana Revenue Trial Balance, 6/30/2004; State Budget Agency:

BUDSTARS, *General Fund Property Tax Replacement Fund, Rainy Day Fund, Fiscal Year Ending June 30, 2004; State of Indiana List of Appropriations FY 2003-2005.*

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